

## V. Budget Narrative

Budget and expenditure data from Forms 3, 4, and 5 are provided for the application year, interim year, and reporting year to assist the reviewer in analysis of the budget and expenditure narrative. For complete financial data, refer to all the financial data reported on Forms 2-5, especially when reviewing the federal allocation on Form 2 for the 30%/30%/10% breakdown for the budgets planned for primary and preventive care for children, children with special health care needs, and administrative costs.

### Form 3, State MCH Funding Profile

	FY 2010		FY 2011		FY 2012	
	Budgeted	Expended	Budgeted	Expended	Budgeted	Expended
<b>1. Federal Allocation</b> (Line1, Form 2)	2435138	2430627	2435138		2430627	
<b>2. Unobligated Balance</b> (Line2, Form 2)	0	0	0		0	
<b>3. State Funds</b> (Line3, Form 2)	2135677	2901266	2358969		1816886	
<b>4. Local MCH Funds</b> (Line4, Form 2)	3590998	3766725	3777376		3871097	
<b>5. Other Funds</b> (Line5, Form 2)	0	0	0		0	
<b>6. Program Income</b> (Line6, Form 2)	1114333	1474325	1046041		1666306	
<b>7. Subtotal</b>	9276146	10572943	9617524		9784916	
<b>8. Other Federal Funds</b> (Line10, Form 2)	20406359	22527163	22531055		20206929	
<b>9. Total</b> (Line11, Form 2)	29682505	33100106	32148579		29991845	

### Form 4, Budget Details By Types of Individuals Served (I) and Sources of Other Federal Funds

	FY 2010		FY 2011		FY 2012	
	Budgeted	Expended	Budgeted	Expended	Budgeted	Expended
<b>I. Federal-State MCH Block Grant Partnership</b>						
<b>a. Pregnant Women</b>	1292312	1788863	1595215		1579159	
<b>b. Infants &lt; 1 year old</b>	1220309	1179536	1255402		1244907	
<b>c. Children 1 to 22 years old</b>	2738309	3239129	2717490		3135787	
<b>d. Children with</b>	1798893	2098563	1820878		2168843	

<b>Special Healthcare Needs</b>						
<b>e. Others</b>	1809727	1866449	1798819		1250392	
<b>f. Administration</b>	416596	400403	429720		405828	
<b>g. SUBTOTAL</b>	9276146	10572943	9617524		9784916	
<b>II. Other Federal Funds (under the control of the person responsible for administration of the Title V program).</b>						
<b>a. SPRANS</b>	0		0		0	
<b>b. SSDI</b>	94644		93713		97260	
<b>c. CISS</b>	105000		132000		0	
<b>d. Abstinence Education</b>	0		0		0	
<b>e. Healthy Start</b>	0		0		0	
<b>f. EMSC</b>	130000		130000		130000	
<b>g. WIC</b>	15035980		17012511		14272338	
<b>h. AIDS</b>	1367835		1260714		1260714	
<b>i. CDC</b>	0		0		0	
<b>j. Education</b>	0		0		0	
<b>k. Other</b>						
<b>Affordable Care Act</b>	0		0		663933	
<b>Immunization</b>	715645		0		540294	
<b>Oral Health</b>	0		0		226798	
<b>PHBG FP</b>	140434		126000		126000	
<b>Title X FP</b>	2406547		2474866		2454077	
<b>UNHBS</b>	299000		299000		273447	
<b>WIC Farmers Market</b>	57353		57353		57353	
<b>WIC Peer Counseling</b>	0		203849		104715	
<b>Immunization</b>	0		741049		0	
<b>WIC peer counseling</b>	53921		0		0	

**Form 5, State Title V Program Budget and Expenditures by Types of Services (II)**

	FY 2010		FY 2011		FY 2012	
	Budgeted	Expended	Budgeted	Expended	Budgeted	Expended
<b>I. Direct Health Care Services</b>	3988114	4118494	4004151		3548140	
<b>II. Enabling Services</b>	2011403	2604826	2304937		2510896	
<b>III. Population-Based Services</b>	2034981	2395456	1994812		2287463	
<b>IV. Infrastructure Building Services</b>	1241648	1454167	1313624		1438417	
<b>V. Federal-State Title V Block Grant Partnership Total</b>	9276146	10572943	9617524		9784916	

**A. Expenditures**

The Family and Community Health Bureau (FCHB) Financial Specialist and the Public Health and Safety Division's Fiscal Bureau Analyst maintain the budget documentation for Montana's Maternal Child Health Block Grants, including assuring compliance with state and federal regulations and completion of the Financial Status Reports.

Montana's MCH Block Grant 2009 Annual Report and 2011 Application reflect the importance of local partners for providing MCH services to the population. For FY 2011, approximately 41% of the MCHBG will be distributed through contracts with 55 of the state's 56 city-county health departments.

Montana, along with most other states, is not initiating new programs at this point, instead carefully monitoring state funding and working to maintain existing services. The FCHB will continue to seek additional financial resources, as well as develop new and maintain existing relationships with public and private partners for the intent of increasing the services to Montana's maternal child health population.

The following is a summary of Forms 3, 4, and 5.

Form 3:

Montana's total expenditures to support MCH services has increased by about \$2 million over the last five years. Local and state funds and program income have increased, especially since 2007, while federal support has decreased. Increases are attributable to ongoing commitment of local funds to MCH services, state funding to support new and expanded MCH programs, such as a newborn screening follow up program and contraceptive support, and active pursuit of billing funding to support clinics for children with special health care needs. See attached table and chart for Form 3.

Form 4:

Montana's expenditures by population group differed only slightly from 2008 to 2009. An increase of about \$150,000 in administrative costs is attributable to cost allocation increases at the state agency as well as to slight increases in administrative costs at the local level.

Form 5

Expenditures for direct health care, enabling, population-based, and infrastructure building services vary from year to year, due in great part to the local MCH contractor's yearly expenditure reports.

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***Maternal and Child Health Coordination (MCHC) Supervisor is responsible for the MCH Block Grant. The MCHC Supervisor works with the FCHB Financial Specialist and the Public Health and Safety Division's Fiscal Bureau Analyst, who are responsible for maintaining the budget documentation for the MCH Block Grant. They are also responsible for assuring compliance with state and federal regulations and completion of the Financial Status Reports.***

***Montana's MCH Block Grant 2010 Annual Report and 2012 Application reflect the importance of local partners for providing MCH services to the population. For FY 2012, approximately 41% of the MCHBG will be distributed through contracts with 53 of the state's 56 county health departments.***

***The ACA MIECHV funding opportunity provided Montana with the capacity to implement, at the local level, evidence based home visiting model (s). At the time of the MCH Block***

***Grant submission, one county health department, working in collaboration with the tribal health department, will implement Parents As Teacher pending the receipt that the Updated State Plan Notice of Grant Award. It is anticipated that additional home visiting models will be implemented in FY 2012. The state also applied for a ACA MIECHV Development Grant for the purposes of addressing the infrastructure capacity of up to 25 communities identified through the ACA MIECHV Needs Assessment as at risk communities.***

***The FCHB will continue to seek additional financial resources, as well as develop new and maintain existing relationships with public and private partners for the intent of increasing the services to Montana's maternal child health population. This is due in part to the 2011 Legislative session approved the Public Health and Safety Division 2013 biennial budget request at approximately \$3.1 million or 2.4% less when compared to the 2011 biennium. For more information go to: <http://leg.mt.gov/css/fiscal/reports/2011-session.asp#ba2013>. The budget decrease had minimal impact on the FCHB as it is primarily funded through Federal grant opportunities; however, other agencies that also provide services to the MCH population were less fortunate. The following is a summary of Forms 3, 4, and 5.***

***Form 3:***

***This reflects the decrease in the federal and state general and special revenue funding support. There was an increase for local MCH funding support.***

***Form 4:***

***There was a slight increase in the overall Federal-State MCH grant partnership due in part to a decrease in the administrative costs, as noted in the budget report and in the Section titled Other MCH Capacity and the one time only increase for a CSHS special project in FY 2012. The other Federal fund amount reflects the overall decrease in federal funding.***

***Form 5***

***Expenditures for direct health care, enabling, population-based, and infrastructure building services continue to vary from year to year, due in great part to the local MCH contractor's yearly expenditure reports.***

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## **B. Budget**

Montana's proposed Maternal and Child Health (MCH) Block Grant budget for FFY 2011, as reflected on Form 2, includes the following budget items:

Primary and Preventive Services for Children: This budget item includes the anticipated amount to be spent for infants, children and their families. At the state level, this line item reflects the Maternal Child Health Coordination Section and county level MCH contractors who are responsible for providing these services. The FFY 2011 amount is \$809,683.

Children with Special Health Care Needs: This budget items includes the Children with Special Health Services Section's budget of \$730,541 plus \$108,125 from the county level MCH contractors. The FFY 2011 amount is \$838,666.

Title V Administrative Costs: This budget item includes the state indirect total of \$174,087, plus an anticipated amount of \$57,322 from the county level MCH contractors. They are allowed to use up to 10% of their award for administrative costs per the MCH Administrative Rule 37.57.1001. The FFY 2011 amount is \$231,409.

The unobligated FY 2011 balance is \$0. Montana continues to budget and expend to the level of the annual award.

The State MCH matching fund amount for FY 2011 is \$2,358,969 which includes state general funds for the Public Health Home Visiting/ Montana's Initiative for the Abatement of Mortality in Infants Program, the newborn screening program, and family planning programs. The local county level MCH contractors are anticipated to overmatch their allocated MCH Block Grant fund amount. The FFY 2011 local county level MCH amount is \$3,777,376.

The MCH Program income for FY 2011 is \$1,046,041.

Montana's FY 2011 Maintenance of Effort remains at \$485,480, resulting in the Federal-State Title V Block Grant Partnership as \$9,617,524. Montana also receives additional federal grant funds, i.e. SSDI, CISS, Title X, Immunization, Universal Newborn Hearing Screening, which total \$3,902,117.

For FY 2011, Montana's state MCH budget total is: \$32,148,579.

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***The proposed 2012 MCH Block Grant budget reflects the anticipated decrease in the state's federal allocation. If it appears that additional funds will be awarded, the expended budget will reflect the increased amount.***

***Primary and Preventive Services for Children: There is a slight decrease in the anticipated amount for this line item attributable to a decrease in the MCH BG allocation. These funds benefit infants, children and their families as served by the county health department contractors and for MCHC Section staff members.***

***Children with Special Health Care Needs: As noted on Form 2, this line item is approximately eight percent more than FY 2011. For FY 2012, CSHS will receive a onetime only increase for a Cystic Fibrosis special project.***

***Title V Administrative Costs: The county health department contractors are allowed to expend up to 10% of their MCH BG amount for administrative costs, which for FY 2012 are projected to be \$70,100. The state administrative costs (\$155,195) reflect an analysis of decreasing from 13.5 to 10.1 FCHB/FTEs being supported with 2012 MCH BG funding.***

***The unobligated FY 2012 balance is \$0. Montana continues to budget and expend to the level of the annual award.***

***The State MCH matching fund amount for FY 2012 is less than FY 2011. The \$1,816,886 reflects the loss of state funding for the Women and Men's Health Section's family planning programs and state level support for the MCHC Section. The match includes state general funds for the Public Health Home Visiting/ Montana's Initiative for the Abatement of Mortality in Infants Program and the newborn screening program. The local county level MCH contractors are anticipated to overmatch their allocated 2012 MCH Block Grant fund amount with the projected amount at \$3,871,097.***

***The MCH Program income for FY 2012 is \$1,666,306 which reflects billing income from a new CSHS clinic and either improved Medicaid billing or Medicaid billing reporting by county health departments.***

***Montana's FY 2012 Maintenance of Effort remains at \$485,480, resulting in the Federal-State Title V Block Grant Partnership as \$9,784,916. Montana also receives additional federal grant funds, i.e. ACA MIECHV, SSDI, Title X, Immunization, Universal Newborn***

**Hearing Screening, which total \$20,206,929.**

**For FY 2012, Montana's state MCH budget total is: \$29,991,845.**

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